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REVIEW OF THE WORLD SITUATION AS IT RELATES TO THE SECURITY OF THE UNITED STATES

SUMMARY

- 1. Nearly three months after beginning its venture into war-by-proxy, the USSR retains the strategic initiative to some extent locally in Korea and to a much greater extent globally.
- 2. The USSR is probably not yet prepared for international military operations designed to defeat the US and its allies. Nevertheless, the USSR has been vigorously preparing its armed forces, its economy, and its political-control system for the eventuality of a major war. In view of the traditional preoccupation of the USSR with its defensive capabilities, these preparations do not necessarily indicate that the USSR intends deliberately to provoke a global war. Nevertheless, the time-phasing of some parts of this war-readiness program suggests that the USSR made an urgent effort to be ready in case large-scale expenditures of military material should be necessary in the fall of 1950 or the spring of 1951.

 3. Whereas the US and its allies have been able to contain Soviet efforts at expansion in Europe and the Middle East during the past two years, the USSR has steadily gained ground in Asia. In large measure it has succeeded in identifying Communism with local nationalist ambitions, anti-Western sentiment, and economic discontent.

- i -

NOTE: This review has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force. The information contained herein is as of 15 September 1950.

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- 4. As a result of Communist seizure of central in China, the USSR has in the Peiping regime a disciplined lieutenant in the international Communist program of eliminating Western influence and establishing indigenous Communist governments throughout the Far East.
- g. While it is doubtful that either Soviet or Chinese Communist forces will be committed south of the 38th parallel, both Moscow and Peiping have the capability of sending organized military units to reinforce the North Koreans at any critical juncture. They are much more likely, however, to aid the Communist cause in Korea by releasing large numbers of trained Chinese Communist (Manchurian "volunteer") units, perhaps including small air units, for incorporation in the North Korean forces.
- b. There is still no conclusive evidence whether political warfare over Taiwan will be followed or perhaps accompanied by a military assault on the island.
- c. At the present time opportunities for expansion of Communist influence in Southeast Asia appear to be more promising than more openly belligerent ventures (such as formal Chinese intervention in Korea). Moscow and Peiping probably will prefer to maintain the fiction that Communist aggression is merely local revolution or civil war (as they claimed in Korea) and to rely on the efforts of indigenous "liberation" movements rather than on open employment of organized forces outside their own territory. Thus the Chinese Communists would continue to limit their aid to Ho Chi Minh to indirect or covert though substantial military assistance.

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The spread of Communist influence in Southeast Asia probably will continue, at least in the short-term future, acquiring new momentum with every local triumph, in default of: (1) development of an indigenous Asian regional association capable of resisting the expansion of Soviet influence in the Far East; (2) Western success in convincing the local populations that "colonialism" was not a threat and that Soviet control was a direct threat to national independence; and (3) effective US aid.

5. While bringing heavy pressure to bear on many non-Soviet countries, reaching a peak in the Korean attack, the USSR has recently been pursuing a soi policy toward such countries as Iran, Afghanistan, and India, which the Kremlin evidently wishes to neutralize pending the completion of Soviet operations elsewhere. In Iran in particular, this soft treatment poses a more difficult problem for the Iranian Government than would a harsher attitude and may yield considerable advantages to the USSR without further resort to pressure tactics.

6. Concurrently with its integrated campaign of aggression, pressure, and political enticement around the borders of the Soviet sphere, the USSR is vigorously prosecuting its propaganda warfare in the UN. During the coming parliamentary maneuvering in the SC the US may be able to counter Soviet propaganda moves and to prepare the ground for what will probably develop into the most solid anti-Soviet front yet displayed in the UN General Assembly.